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# **Corporate Liability of Real Estate Developers for Project Delays: A Legal Analysis under RERA and Company Law**

## **Abstract**

The real estate sector in India has historically been characterized by significant project delays, leading to financial losses, uncertainty, and legal disputes for homebuyers and investors. These delays often arise from mismanagement, financial distress, diversion of funds, or weak regulatory oversight by real estate developers operating through corporate entities. Recognizing the need for stronger accountability mechanisms, the government enacted the **Real Estate (Regulation and Development) Act, 2016 (RERA)** to enhance transparency, ensure timely project completion, and protect the interests of homebuyers. At the same time, corporate developers are governed by broader corporate regulatory frameworks such as the **Companies Act, 2013**, which impose fiduciary duties, disclosure obligations, and standards of corporate governance on directors and management.

This paper examines the issue of project delays in the real estate sector through the lens of corporate liability, focusing on the intersection between RERA and company law provisions. It analyses the extent to which real estate developers, operating as corporate entities, can be held legally accountable for delays in project completion and failure to fulfil contractual commitments to buyers. The study evaluates statutory provisions, regulatory mechanisms, and judicial interpretations addressing developer accountability, including penalties, compensation, and director liability. Additionally, the paper explores the role of corporate governance failures, diversion of project funds, and inadequate regulatory enforcement in contributing to project delays.

By conducting a doctrinal legal analysis of statutory provisions, case law, and regulatory policies, the paper highlights the strengths and limitations of the existing legal framework. It argues that while RERA has significantly strengthened consumer protection, gaps remain in integrating corporate accountability mechanisms with real estate regulation. The paper concludes by proposing reforms aimed at enhancing regulatory coordination, strengthening enforcement, and ensuring greater corporate responsibility in real estate development.

**Keywords:** Real Estate Regulation, Corporate Liability, Project Delays, RERA, Companies Act 2013, Homebuyer Protection, Corporate Governance

## **Introduction**

The real estate sector in India occupies a central place in the country's economic and social landscape. It functions not only as a driver of economic growth but also as a key provider of housing, commercial infrastructure, and employment opportunities. Over the past two decades, rapid urbanization, population growth, and rising aspirations of the middle class have significantly expanded the demand for residential and commercial real estate. Large metropolitan cities as well as emerging urban centers have witnessed a surge in real estate development projects undertaken by private developers, corporate entities, and joint ventures. The sector contributes substantially to the national economy and is closely linked with industries such as construction, cement, steel, banking, and finance. Despite its growth and economic importance, the Indian real estate sector has historically been characterized by regulatory fragmentation, lack of transparency, and weak accountability mechanisms, which have often led to significant challenges for consumers, particularly homebuyers.

One of the most persistent problems faced within this sector is the widespread occurrence of project delays. In numerous instances across the country, real estate developers have failed to complete projects within the timelines promised to purchasers. Such delays may arise due to a variety of factors including financial mismanagement, diversion of funds, delays in obtaining regulatory approvals, poor project planning, or deliberate strategic decisions by developers. For homebuyers, these delays can result in serious financial and emotional consequences<sup>1</sup>. Many purchasers invest their life savings or take long-term housing loans with the expectation of receiving timely possession of their homes. When projects are delayed for several years, buyers are often compelled to continue paying both rent and loan installments simultaneously, creating a severe financial burden. In addition to financial loss, prolonged uncertainty regarding project completion also leads to psychological stress and erosion of trust in the real estate market.

The increasing corporatization of the real estate industry has further complicated the dynamics of accountability. Many large-scale projects are developed and marketed by corporate entities operating through complex corporate structures, including holding companies, subsidiaries, and special purpose vehicles. While the corporate form enables developers to mobilize significant capital and undertake large infrastructure projects, it can also create challenges in determining liability when obligations towards homebuyers remain unfulfilled. In certain cases, corporate entities may shield themselves from direct accountability by relying on corporate personality and limited liability principles<sup>2</sup>. This raises important legal questions regarding the extent to which corporate developers should be held responsible for delays in project delivery and what legal mechanisms can be used to ensure effective consumer protection.

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<sup>1</sup> S. Dhawan, "Will RERA impact real estate prices?," 17 May 2017. [Online]. Available: <https://economictimes.indiatimes.com/wealth/realestate/will-rera-impact-real-estateprices/articleshow/58577393.cms?from=mdr>

<sup>2</sup> A. P. Waghmare and S. P. Patil, "Influence of RERA on Real Estate Sector," Journal of Advances and Scholarly Researches in Allied Education, vol. 15, no. 2, pp. 226-231, April 2018.

Recognizing the persistent grievances of homebuyers and the need for a more transparent regulatory framework, the Indian government introduced several legal and policy reforms aimed at strengthening accountability in the real estate sector. A significant development in this regard was the enactment of the Real Estate (Regulation and Development) Act, 2016 (RERA), which was designed to promote transparency, ensure timely completion of projects, and protect the interests of homebuyers. The Act introduced mandatory project registration, disclosure obligations for developers, escrow requirements for project funds, and specialized regulatory authorities to address disputes. Alongside RERA, other legal frameworks such as the Companies Act, 2013, the Consumer Protection Act, 2019, and the Insolvency and Bankruptcy Code, 2016 have also played an important role in addressing disputes arising from delayed real estate projects. These legal mechanisms collectively attempt to regulate corporate conduct and provide remedies for affected buyers.

Despite the introduction of these regulatory mechanisms, questions continue to arise regarding the effectiveness of existing legal provisions in holding corporate developers accountable for project delays. There remains a need to examine how corporate liability is interpreted and enforced within the broader legal framework governing real estate development in India. The research problem addressed in this study emerges from this intersection between corporate law and real estate regulation<sup>3</sup>. Specifically, it seeks to analyze the extent to which corporate entities can be held legally liable for delays in project completion and whether current legal frameworks provide adequate protection to homebuyers. Understanding this issue is significant not only from a legal perspective but also from a broader policy standpoint, as timely project delivery is essential for maintaining trust in the real estate market and ensuring fairness in transactions involving one of the most significant investments made by individuals in their lifetime.

### **Objectives of the Study**

1. To examine the causes of delays in real estate development projects in India.
2. To analyse the concept of corporate liability in the context of delayed real estate projects.
3. To evaluate the role of the Real Estate (Regulation and Development) Act, 2016 in regulating developer obligations and protecting homebuyers.
4. To study the judicial interpretation of developer liability through relevant case laws.

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<sup>3</sup> S. Dhawan, "RERA deadline ends. Only 15 states have notified rules, 6 states are online," 1 August 2017. [Online]. Available: <https://economictimes.indiatimes.com/wealth/personal-finance/news/rera-deadline-ends-15-states-notifies-rules-only-7-states-are>

5. To assess the interaction between corporate law and real estate regulation in determining accountability of developers.
6. To identify challenges in enforcing corporate liability for project delays and suggest possible policy improvements.

### **Scope of the Study**

The present study focuses on the accountability of corporate real estate developers operating within the Indian legal framework. With the increasing corporatization of the real estate sector, most large-scale residential and commercial development projects are undertaken by companies rather than individual developers. Consequently, issues relating to delayed project completion often involve corporate entities governed not only by sector-specific regulations but also by broader corporate governance principles. This research therefore concentrates on the legal responsibilities of corporate developers in cases where real estate projects are delayed, particularly in relation to their statutory and contractual obligations toward homebuyers.

The study examines the legal responsibility of developers primarily within the framework of the Real Estate (Regulation and Development) Act, 2016 and the Companies Act, 2013. These two statutes form the core regulatory structure relevant to the issue of project delays. While RERA establishes a sector-specific regulatory regime governing the registration, development, and completion of real estate projects, the Companies Act regulates the internal governance of corporate entities responsible for undertaking such developments. The interaction between these legal frameworks is important in determining the extent to which corporate developers and their directors may be held accountable for delays in project completion and for any financial or contractual breaches affecting homebuyers.

The research adopts a doctrinal legal methodology and primarily analyses statutory provisions, judicial decisions, and regulatory mechanisms that govern corporate liability in the real estate sector. Particular emphasis is placed on examining the obligations imposed upon developers under RERA, including requirements relating to project registration, disclosure of project details, maintenance of separate bank accounts for project funds, and adherence to declared timelines for project completion. Judicial interpretations of these provisions, especially in decisions such as *Pioneer Urban Land and Infrastructure Ltd v Govindan Raghavan and M/s Newtech Promoters and Developers Pvt Ltd v State of Uttar Pradesh*, are examined to understand how courts have interpreted developer obligations and the rights of homebuyers in situations involving delayed possession of property.

In addition to sector-specific regulation, the study also explores issues related to corporate governance and the fiduciary duties of directors under company law. The responsibilities imposed upon directors under statutory provisions, particularly their duty to act in good faith, exercise due diligence, and ensure that company resources are used for lawful purposes, are relevant when

evaluating situations where project delays result from financial mismanagement or diversion of funds. By analysing these governance obligations, the research seeks to understand whether existing corporate law provisions provide adequate mechanisms to hold directors and corporate promoters accountable when companies fail to deliver real estate projects within promised timelines.

Another important dimension within the scope of the study concerns the remedies available to homebuyers when projects are delayed. The research examines the legal options available to aggrieved purchasers, including the right to seek compensation, interest, or refund under RERA, as well as alternative remedies available under consumer protection law and insolvency proceedings. Judicial and regulatory mechanisms designed to resolve disputes between homebuyers and developers are therefore considered as part of the broader legal framework governing accountability in the real estate sector.

The scope of the research is limited to doctrinal legal analysis and does not involve empirical field research such as surveys, interviews, or statistical data collection. Instead, the study relies on analysis of statutory provisions, judicial precedents, regulatory policies, and scholarly legal commentary in order to evaluate the effectiveness of existing legal frameworks. This approach enables a detailed examination of how the law conceptualizes and enforces corporate liability in the context of delayed real estate projects.

Although the primary focus of the study is on the Indian legal system, limited comparative references to international regulatory frameworks may also be considered where relevant. Such comparisons are intended only to highlight possible regulatory approaches and policy reforms that could strengthen accountability and consumer protection within the Indian real estate sector. By examining both domestic legal provisions and selective international practices, the study aims to contribute to a better understanding of how legal mechanisms can ensure responsible corporate conduct and protect the interests of homebuyers in real estate transactions.

### **Conceptual Framework: Corporate Liability in Real Estate Development**

Corporate liability in the context of real estate development represents a critical legal and conceptual issue, particularly in situations where developers fail to fulfill their obligations toward homebuyers. Real estate projects in India are frequently undertaken by companies incorporated under corporate law, which means that the legal responsibility for project execution is generally attached to a corporate entity rather than an individual developer. Corporate liability therefore refers to the legal responsibility of such companies for actions, omissions, or failures that arise during the course of business operations<sup>4</sup>. In real estate development, this liability may arise from breach of contractual commitments, misrepresentation in project advertisements, failure to deliver

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<sup>4</sup> A. M, "Home buyers still losers as RERA sits on complaints," 27 November 2018. [Online]. Available: <https://economictimes.indiatimes.com/wealth/real-estate/home-buyersstill-losers-as-rera-sits-oncomplaints/articleshow/66822054.cms?from=mdr>.

possession within stipulated timelines, or diversion of project funds. The scope of corporate liability extends beyond mere financial obligations and includes regulatory compliance, adherence to statutory requirements, and accountability for maintaining transparency in dealings with purchasers. Because housing transactions involve substantial financial investments from individuals, the legal framework increasingly recognizes that developers must be held accountable not only for the promises they make but also for the manner in which projects are managed and executed. Judicial developments in India have reinforced this principle. In *Pioneer Urban Land and Infrastructure Ltd. v. Govindan Raghavan*<sup>5</sup>, the Supreme Court emphasized that homebuyers cannot be subjected to unfair contractual terms and held that developers are bound to fulfill their contractual obligations in a fair and reasonable manner. The Court observed that delay in delivering possession constitutes a deficiency in service and entitles the buyer to seek appropriate remedies.

A fundamental concept shaping corporate liability is the doctrine of corporate personality, which treats a company as a separate legal entity distinct from its shareholders and directors. This principle, famously established in *Salomon v. A. Salomon & Co. Ltd.*<sup>6</sup>, allows corporations to own property, enter into contracts, and incur liabilities in their own name. In the real estate sector, this doctrine enables developers to undertake large-scale projects by pooling capital from investors and financial institutions while limiting the personal liability of shareholders. However, the same principle may sometimes complicate the question of accountability when projects are delayed or abandoned. When a company fails to complete a project, affected homebuyers may find that the corporate structure creates barriers in identifying the individuals responsible for decision-making. In response to such challenges, courts have developed the doctrine of lifting or piercing the corporate veil, allowing judicial authorities to look beyond the formal corporate structure where the corporate form is used to perpetrate fraud or evade legal obligations. Indian courts have applied this doctrine in several cases. In *Delhi Development Authority v. Skipper Construction Co. (P) Ltd.*<sup>7</sup>, the Supreme Court held that the corporate veil may be lifted where the corporate entity is used as a device to defraud purchasers or evade legal responsibilities. Similarly, in *Life Insurance Corporation of India v. Escorts Ltd.*<sup>8</sup>, the Court acknowledged that while corporate personality is a foundational principle of company law, it may be disregarded in exceptional circumstances where justice demands that the real actors behind the corporate entity be identified.

Within this framework, the role of directors and management becomes highly significant. Directors occupy positions of trust and are responsible for guiding the strategic and operational decisions of the company. Their duties typically include ensuring that the company acts in good faith, exercises reasonable care and diligence, and complies with applicable laws and regulations. Under Section 166 of the Companies Act, 2013, directors are required to act in the best interests

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<sup>5</sup> (2019) 5 SCC 725

<sup>6</sup> [1897] AC 22

<sup>7</sup> (1996) 4 SCC 622

<sup>8</sup> (1986) 1 SCC 264

of the company, its employees, shareholders, and other stakeholders. In real estate development, these responsibilities extend to supervising project planning, securing necessary approvals, managing financial resources, and ensuring that construction progresses according to the promised timeline. When directors or key managerial personnel fail to perform these duties responsibly, the consequences can directly affect homebuyers who depend on timely project completion. Judicial intervention in large real estate disputes has highlighted the responsibility of directors and promoters in ensuring project completion. In *Supertech Ltd. v. Emerald Court Owner Resident Welfare Association*<sup>9</sup>, the Supreme Court underscored the obligation of developers to adhere strictly to statutory approvals and project plans, holding that deviations from sanctioned plans violate the rights of homebuyers. Furthermore, in the high-profile Amrapali Group litigation (*Bikram Chatterji v. Union of India*<sup>10</sup>), the Supreme Court found that the promoters had diverted homebuyers' funds and held them personally accountable for mismanagement, directing investigation and attachment of their assets. The case demonstrated that when corporate structures are misused to divert funds or delay projects, courts are willing to impose strict accountability on those responsible for corporate decision-making.

Another essential dimension of corporate liability in real estate development concerns the contractual relationship between developers and homebuyers. When individuals purchase residential units in an under-construction project, they typically enter into agreements that define the rights and obligations of both parties. These contracts generally include provisions regarding the price of the property, payment schedules, construction timelines, specifications of the unit, and the expected date of possession. Such agreements form the legal foundation of the relationship between the developer and the buyer, and failure to comply with these contractual commitments can give rise to legal claims. In many cases, project delays constitute a breach of the developer's contractual obligations, particularly when possession is not delivered within the agreed timeframe. The nature of these obligations is not merely commercial but also carries a consumer protection dimension because housing purchases involve significant personal and financial stakes for buyers. Courts have repeatedly recognized that delay in handing over possession amounts to deficiency in service. In *Kolkata West International City Pvt. Ltd. v. Devasis Rudra*<sup>11</sup>, the Supreme Court held that homebuyers cannot be compelled to wait indefinitely for possession and are entitled to refund with interest where construction is unreasonably delayed. Similarly, in *Wing Commander Arifur Rahman Khan v. DLF Southern Homes Pvt. Ltd.*<sup>12</sup>, the Court affirmed that failure to deliver possession within the promised period entitles buyers to compensation and that one-sided contractual clauses imposed by developers cannot deprive purchasers of their legitimate rights.

The interaction between corporate personality, managerial responsibility, and contractual obligations creates the broader conceptual framework through which corporate liability in real

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<sup>9</sup> (2021) SCC OnLine SC 648

<sup>10</sup> (2019) 19 SCC 161

<sup>11</sup> (2019) 17 SCC 613

<sup>12</sup> (2020) 16 SCC 512

estate development can be understood. While the corporate form facilitates large-scale development and investment, it also necessitates clear legal mechanisms to ensure that companies remain accountable for their commitments. In the context of real estate projects, liability therefore emerges from a combination of statutory duties, governance responsibilities, and contractual promises made to homebuyers. Judicial decisions interpreting the Real Estate (Regulation and Development) Act, 2016 have further strengthened this framework. In *M/s Newtech Promoters and Developers Pvt. Ltd. v. State of Uttar Pradesh*<sup>13</sup>, the Supreme Court upheld the authority of RERA to adjudicate disputes related to delayed possession and compensation, thereby reinforcing the accountability of developers under the statutory regime. Similarly, in *Imperia Structures Ltd. v. Anil Patni*<sup>14</sup>, the Court clarified that remedies available under RERA are in addition to those under consumer protection law, allowing homebuyers to pursue parallel legal remedies. Understanding this framework is essential for evaluating how legal systems respond to the problem of project delays and how accountability can be effectively enforced against corporate developers.

### **Legal Framework Governing Real Estate Developers**

The legal regulation of real estate developers in India has evolved significantly over the past decade in response to persistent concerns about project delays, lack of transparency, and the vulnerability of homebuyers in property transactions. For many years, the real estate sector functioned in a fragmented regulatory environment in which contractual arrangements between developers and purchasers were often the primary source of legal protection. The absence of a unified statutory framework frequently resulted in misleading advertisements, diversion of buyer funds, and prolonged delays in project completion. These problems generated widespread dissatisfaction among homebuyers and highlighted the urgent need for a comprehensive regulatory mechanism to ensure accountability within the sector. The enactment of the Real Estate (Regulation and Development) Act, 2016 (RERA) marked a major shift in the governance of the real estate industry by introducing a structured legal framework designed to promote transparency, protect consumers, and regulate the conduct of developers.

The primary objective of RERA is to bring greater discipline and accountability to the real estate market while balancing the interests of developers and homebuyers. The Act aims to ensure transparency in project execution, reduce fraudulent practices, and create an efficient system for dispute resolution through specialized regulatory authorities and appellate tribunals. One of the most important features of the legislation is the mandatory registration of real estate projects before they can be marketed or sold to the public. Under Section 3 of the Act, developers are required to register their projects with the relevant state Real Estate Regulatory Authority if the project exceeds the prescribed threshold in terms of land area or number of housing units. During this registration process, promoters must submit detailed information regarding land ownership, project layout, construction timelines, and statutory approvals obtained from competent

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<sup>13</sup> (2021) SCC OnLine SC 1044

<sup>14</sup> (2020) 10 SCC 783

authorities. This requirement prevents developers from launching projects without proper planning or authorization and ensures that buyers have access to reliable information before making investment decisions.

Transparency forms a central pillar of the regulatory framework established under RERA. Developers are required to disclose key project-related information on the official website of the regulatory authority, including approvals obtained, stage-wise progress of construction, financial details, and any changes made to the project plan. Additionally, Section 4(2)(l)(D) of the Act mandates that seventy percent of the funds collected from homebuyers must be deposited in a separate escrow account and utilized only for the construction and land costs associated with that particular project. This provision was introduced to address the long-standing problem of diversion of funds by developers from one project to another, a practice that had frequently contributed to delays in project completion.

Another critical aspect of the RERA framework concerns the liability imposed on developers for delays in project completion. Section 18 of the Act provides that if a promoter fails to complete or deliver possession of a property within the time specified in the agreement for sale, the homebuyer has the right either to withdraw from the project and claim a refund with interest or to continue with the project while receiving compensation for the delay. Judicial interpretation of these provisions has further strengthened the rights of homebuyers. In *M/s Newtech Promoters and Developers Pvt. Ltd. v. State of Uttar Pradesh* (2021), the Supreme Court upheld the constitutional validity of several provisions of RERA and affirmed the authority of regulatory bodies to adjudicate disputes related to delayed possession and compensation. Similarly, in *Imperia Structures Ltd. v. Anil Patni* (2020)<sup>15</sup>, the Supreme Court clarified that remedies under RERA are in addition to those available under the Consumer Protection Act, allowing homebuyers to pursue claims before consumer forums as well.

Judicial decisions have consistently reinforced the principle that developers cannot escape liability for delays in project completion. In several cases, courts and regulatory authorities have held that administrative hurdles or routine construction challenges cannot automatically be treated as force majeure circumstances under the Act. For instance, real estate tribunals have affirmed that developers remain liable to pay interest or compensation when possession is delayed beyond the contractual deadline, even where the developer attempts to attribute the delay to regulatory approvals or infrastructural issues. In practical application, regulatory authorities across various states have frequently ordered developers to compensate buyers for delayed possession. In a case before the Karnataka Real Estate Regulatory Authority, a builder was directed to pay more than ₹29 lakh as interest to a homebuyer due to a delay in handing over possession of an apartment, reinforcing the enforceability of the rights provided under RERA.

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<sup>15</sup> AIR 2021 SUPREME COURT 70, AIRONLINE 2020 SC 822

In addition to sector-specific regulation under RERA, corporate developers operating in the real estate industry are also governed by the broader framework of corporate law under the Companies Act, 2013. This legislation establishes the legal structure for the incorporation, management, and accountability of companies in India. One of the most significant aspects of the Act is the codification of directors' duties under Section 166, which requires directors to act in good faith, exercise due care and diligence, and act in the best interests of the company and its stakeholders. In the context of real estate development, these duties extend to ensuring responsible financial management, compliance with regulatory requirements, and timely completion of projects promised to purchasers.

The Companies Act also promotes corporate governance and transparency through mechanisms such as mandatory financial disclosures, statutory audits, and reporting requirements. These provisions are intended to protect investors and other stakeholders by ensuring that companies maintain accurate records of their financial activities and project expenditures. When developers collect large amounts of money from homebuyers for construction projects, compliance with these disclosure obligations becomes particularly important to prevent mismanagement or diversion of funds. Where directors or managerial personnel engage in fraudulent practices or misuse corporate resources, the Act provides for both civil and criminal liability. Sections dealing with fraud, misrepresentation, and oppression of stakeholders enable regulatory authorities and courts to impose penalties and hold responsible individuals accountable for misconduct within corporate entities.

The interaction between the Real Estate (Regulation and Development) Act, 2016 and the Companies Act, 2013 therefore creates a comprehensive legal framework governing real estate developers in India. While RERA primarily focuses on protecting homebuyers and regulating the operational aspects of real estate projects, the Companies Act addresses issues of corporate governance, managerial responsibility, and financial transparency within developer companies. Together, these legal frameworks aim to ensure that corporate developers remain accountable for their contractual and statutory obligations, thereby strengthening consumer protection and improving the overall integrity of the real estate sector.

### **Causes of Project Delays in Real Estate Development**

Project delays have emerged as one of the most persistent challenges affecting the real estate sector in India, often leading to financial losses and prolonged uncertainty for homebuyers. The causes of such delays are multifaceted and frequently arise from a combination of financial, managerial, regulatory, and economic factors. Among the most significant contributors is financial mismanagement by developers, particularly the diversion of funds collected from homebuyers for purposes unrelated to the project for which the funds were originally intended. In many instances, developers launch multiple projects simultaneously and utilize advances received from purchasers in one project to finance construction activities in another. This practice disrupts the financial

stability of ongoing developments and results in stalled or incomplete projects. The problem of fund diversion became widely recognized through judicial scrutiny in several high-profile disputes. In *Bikram Chatterji v. Union of India*<sup>16</sup>, commonly known as the Amrapali case, the Supreme Court found that promoters had systematically diverted thousands of crores of rupees collected from homebuyers into other ventures and personal accounts rather than utilizing the funds for construction. The Court held that such actions constituted a serious breach of trust and directed the attachment of the promoters' properties while also appointing an alternative agency to complete the stalled projects. This decision highlighted the extent to which financial mismanagement within corporate developer entities can severely affect project timelines and undermine consumer confidence.

Closely related to financial mismanagement is the issue of weak corporate governance within developer companies. Real estate development often involves complex corporate structures that include holding companies, subsidiaries, and special purpose vehicles created for individual projects. While such structures facilitate investment and risk management, they may also create opportunities for lack of oversight and concentration of decision-making authority in a limited group of promoters or directors. When internal governance mechanisms are ineffective, decisions regarding project planning, financial allocation, and compliance with statutory obligations may not be subject to adequate scrutiny. The absence of transparent corporate governance can result in unrealistic project timelines, inadequate risk assessment, and inefficient management of resources. Judicial decisions have frequently emphasized the importance of responsible corporate conduct in the real estate sector. In *Pioneer Urban Land and Infrastructure Ltd. v. Govindan Raghavan* (2019) 5 SCC 725, the Supreme Court criticized unfair contractual practices adopted by developers and observed that homebuyers are often placed in a weaker bargaining position in real estate transactions. The Court held that developers must adhere to fair and reasonable contractual obligations and cannot impose one-sided conditions that allow them to delay possession without consequence. Similarly, in *Wing Commander Arifur Rahman Khan v. DLF Southern Homes Pvt. Ltd.* (2020) 16 SCC 512, the Supreme Court reiterated that developers cannot rely on contractual clauses to escape liability for delayed possession, emphasizing that corporate entities engaged in housing development must maintain transparency and accountability in their dealings with purchasers.

In addition to internal corporate factors, regulatory and administrative hurdles have also contributed to delays in real estate development projects. Real estate construction requires multiple approvals from different government authorities, including environmental clearances, land use permissions, building plan approvals, and infrastructure connectivity certifications. The process of obtaining these approvals can be time-consuming and may involve significant bureaucratic procedures. Developers sometimes attribute project delays to these regulatory complexities, particularly when approvals are granted in a sequential rather than simultaneous manner. However,

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<sup>16</sup> (2019) 19 SCC 161

courts have clarified that routine administrative challenges cannot always justify prolonged delays in delivering possession. In *Kolkata West International City Pvt. Ltd. v. Devasis Rudra* (2019) 17 SCC 613, the Supreme Court held that developers cannot compel purchasers to wait indefinitely for project completion and that delays caused by internal planning failures or regulatory issues do not absolve them of their contractual obligations. The Court allowed homebuyers to seek refunds with interest, emphasizing that the burden of managing approvals and regulatory processes lies with the developer. This judicial approach reflects the view that developers must undertake realistic planning and obtain necessary clearances before committing to delivery timelines in agreements with buyers.

Market fluctuations and broader economic conditions also play an important role in affecting the pace of real estate development. The real estate sector is highly sensitive to changes in economic indicators such as interest rates, availability of credit, construction costs, and overall demand for housing. During periods of economic slowdown, developers may face difficulties in securing financing from banks and financial institutions, which can interrupt the flow of funds required for construction activities. Similarly, fluctuations in the prices of construction materials such as steel and cement may increase project costs beyond initial estimates, leading developers to slow down construction or renegotiate contractual arrangements. The financial distress experienced by certain real estate companies has, in some cases, resulted in insolvency proceedings under the Insolvency and Bankruptcy Code, 2016. The Supreme Court addressed the rights of homebuyers in such circumstances in *Pioneer Urban Land and Infrastructure Ltd. v. Union of India* (2019) 8 SCC 416, where the Court upheld the constitutional validity of amendments recognizing homebuyers as financial creditors under the insolvency framework. This recognition allows homebuyers to participate in insolvency proceedings and protects their interests when developers face severe financial distress.

Taken together, these factors demonstrate that project delays in real estate development rarely arise from a single cause. Instead, they typically result from a combination of financial mismanagement, inadequate corporate governance, regulatory challenges, and changing economic conditions. While external factors such as market fluctuations may affect project viability, the responsibility for ensuring proper planning, financial discipline, and regulatory compliance ultimately rests with the corporate developer. Judicial decisions and regulatory reforms in recent years have increasingly emphasized that developers must adopt responsible management practices and maintain transparency in their dealings with purchasers. Understanding the underlying causes of project delays is therefore essential for evaluating the effectiveness of existing legal frameworks and identifying measures that can strengthen accountability within the real estate sector.

### **Judicial Interpretation and Case Law Analysis**

Judicial interpretation has played a significant role in shaping the legal understanding of corporate liability in cases involving delayed real estate projects in India. Before the enactment of

comprehensive sector-specific regulation, courts often served as the primary forum through which aggrieved homebuyers sought relief against developers who failed to deliver possession within the promised timeframe. Over the years, judicial decisions have developed important principles concerning the rights of purchasers, the obligations of developers, and the broader responsibility of corporate entities engaged in real estate development. These decisions have not only clarified the interpretation of contractual obligations but have also strengthened consumer protection by recognizing the unequal bargaining power that often exists between large real estate companies and individual homebuyers. In doing so, the judiciary has contributed significantly to the evolving regulatory framework governing the real estate sector.

Several landmark judicial decisions have addressed disputes arising from delayed possession and incomplete real estate projects. One of the most influential cases in this context is *Pioneer Urban Land and Infrastructure Ltd. v. Govindan Raghavan* (2019) 5 SCC 725, in which the Supreme Court examined the fairness of contractual terms imposed by developers on purchasers. The Court held that homebuyers cannot be bound by one-sided contractual clauses that allow developers to indefinitely delay project completion while imposing strict obligations on buyers. Recognizing the disparity in bargaining power between developers and individual purchasers, the Court ruled that such clauses constitute unfair trade practices and cannot be enforced against consumers. The judgment emphasized that developers must adhere to reasonable standards of fairness and cannot evade liability for delays by relying on contractual provisions drafted solely for their benefit. This decision has become an important precedent in cases involving disputes over delayed possession and compensation claims by homebuyers.

Another significant decision addressing developer liability is *Kolkata West International City Pvt. Ltd. v. Devasis Rudra* (2019) 17 SCC 613. In this case, the Supreme Court held that homebuyers cannot be compelled to wait indefinitely for the completion of a housing project that has been delayed beyond the promised timeline. The Court observed that a developer's failure to complete construction within a reasonable period amounts to a breach of contractual obligations and entitles the buyer to seek refund of the amount paid along with interest. The judgment reaffirmed the principle that delays in construction cannot be justified solely on the basis of internal financial or administrative difficulties faced by the developer. By emphasizing the legitimate expectations of homebuyers, the Court strengthened the notion that real estate developers must be held accountable for the commitments they make at the time of entering into agreements with purchasers.

Judicial scrutiny has also extended to cases involving large-scale mismanagement and diversion of funds within corporate developer entities. A notable example is *Bikram Chatterji v. Union of India* (2019) 19 SCC 161, popularly known as the Amrapali case. The dispute involved thousands of homebuyers whose apartments remained incomplete for several years due to severe financial irregularities within the developer company. During the proceedings, the Supreme Court found evidence that funds collected from homebuyers had been diverted to other entities and purposes unrelated to the construction of the housing projects. The Court held the promoters and

management of the company responsible for the mismanagement and ordered the attachment of their personal assets. It also directed that the unfinished projects be completed under the supervision of a government-appointed authority. The decision is significant because it demonstrates the willingness of courts to look beyond the corporate structure and hold promoters personally accountable where the corporate entity has been misused to perpetrate financial irregularities affecting homebuyers.

In addition to addressing individual disputes, the judiciary has played a crucial role in clarifying the relationship between different legal remedies available to homebuyers. With the introduction of the Real Estate (Regulation and Development) Act, 2016, questions arose regarding whether purchasers could simultaneously pursue claims under consumer protection law and the newly established RERA framework. This issue was addressed by the Supreme Court in *Imperia Structures Ltd. v. Anil Patni* (2020) 10 SCC 783. The Court held that remedies under the Consumer Protection Act are in addition to those available under RERA and that the existence of one statutory remedy does not bar access to another. This interpretation significantly strengthened the legal position of homebuyers by allowing them to choose the forum that offers the most effective relief. It also reinforced the principle that regulatory mechanisms should function in a complementary manner to enhance consumer protection rather than restrict available remedies.

The judiciary has also clarified the scope of authority exercised by regulatory bodies established under the RERA framework. In *M/s Newtech Promoters and Developers Pvt. Ltd. v. State of Uttar Pradesh* (2021) SCC OnLine SC 1044, the Supreme Court upheld the constitutional validity of key provisions of the Real Estate (Regulation and Development) Act, 2016 and confirmed that the regulatory authorities and adjudicating officers established under the Act possess the power to determine claims for compensation arising from delayed possession. The Court observed that the purpose of the legislation is to ensure accountability and transparency in the real estate sector while providing an efficient mechanism for dispute resolution. By affirming the jurisdiction of RERA authorities, the judgment strengthened the institutional framework through which homebuyers can seek timely remedies without resorting to prolonged civil litigation.

Beyond statutory interpretation, courts have also emphasized the broader responsibility of developers to adhere to approved building plans and statutory regulations governing construction activities. In *Supertech Ltd. v. Emerald Court Owner Resident Welfare Association* (2021) SCC OnLine SC 648, the Supreme Court ordered the demolition of illegally constructed residential towers that violated sanctioned building plans and urban development norms. The Court observed that developers cannot disregard statutory requirements in pursuit of commercial profit and that regulatory authorities must ensure strict compliance with planning laws. Although the case primarily concerned violations of building regulations, it underscored the judiciary's broader commitment to enforcing accountability within the real estate sector and protecting the interests of homebuyers.

Through these and several other decisions, Indian courts have played a transformative role in shaping the legal principles governing delayed real estate projects. Judicial interpretation has reinforced the view that developers must act with transparency, fairness, and financial discipline when dealing with homebuyers. Courts have consistently rejected attempts by developers to rely on one-sided contractual clauses or administrative excuses to justify prolonged delays in project completion. At the same time, the judiciary has supported the functioning of regulatory authorities established under the RERA framework, recognizing their importance in providing specialized and efficient dispute resolution mechanisms. The cumulative effect of these judicial interventions has been the development of a stronger accountability framework in which corporate developers are expected to honor their commitments and face legal consequences when they fail to do so.

### **Intersection of RERA and Company Law**

The regulation of real estate development in India operates within a complex legal framework in which sector-specific legislation interacts with broader corporate governance laws. Two of the most significant legal regimes governing the conduct of real estate developers are the Real Estate (Regulation and Development) Act, 2016 (RERA) and the Companies Act, 2013. While RERA primarily focuses on regulating real estate projects and protecting the interests of homebuyers, the Companies Act governs the internal functioning, accountability, and financial transparency of corporate entities that undertake such development activities. The intersection between these two legal frameworks has become increasingly important as most large-scale real estate projects are developed and marketed by corporate bodies. Together, these statutes create a complementary regulatory structure designed to ensure both consumer protection and responsible corporate conduct within the real estate sector.

The complementary nature of RERA and company law lies in the fact that they regulate different but interconnected aspects of real estate development. RERA establishes obligations specifically related to project registration, disclosure of information, maintenance of escrow accounts, adherence to construction timelines, and compensation for delayed possession. These provisions are aimed directly at protecting homebuyers and ensuring transparency in project execution. In contrast, the Companies Act, 2013 focuses on the governance of the corporate entity itself by imposing duties on directors, mandating financial disclosures, and establishing mechanisms for oversight and accountability. Through provisions such as Section 166, the Companies Act requires directors to act in good faith, exercise due diligence, and promote the interests of stakeholders. When real estate developers operate as corporate entities, compliance with RERA obligations often depends on the effectiveness of corporate governance mechanisms mandated under company law. Therefore, while RERA regulates the external obligations of developers toward consumers, the Companies Act addresses the internal management and accountability structures that influence whether these obligations are fulfilled.

Judicial interpretation has also acknowledged the complementary relationship between these legal frameworks. In *M/s Newtech Promoters and Developers Pvt. Ltd. v. State of Uttar Pradesh* (2021) SCC OnLine SC 1044, the Supreme Court upheld the constitutional validity of the regulatory powers granted under RERA and emphasized that the statute was enacted to bring transparency and accountability to the real estate sector. The Court observed that the legislation is intended to provide an efficient regulatory mechanism for addressing disputes between developers and homebuyers while ensuring compliance with statutory obligations. Similarly, the judiciary has recognized that corporate governance norms established under the Companies Act play a crucial role in ensuring that companies managing real estate projects operate in a responsible and transparent manner. By requiring directors to maintain proper financial records and exercise oversight over company operations, company law indirectly supports the regulatory objectives of RERA.

Despite their complementary objectives, the interaction between RERA and other legal frameworks has occasionally given rise to issues of overlapping jurisdiction and legal complexity. Disputes involving delayed possession, financial irregularities, or insolvency of developer companies may fall within the jurisdiction of multiple forums, including RERA authorities, consumer courts, company law tribunals, and insolvency tribunals. This overlap has led to questions regarding the appropriate forum for resolving disputes and the relationship between remedies available under different statutes. The Supreme Court addressed this issue in *Imperia Structures Ltd. v. Anil Patni* (2020) 10 SCC 783, where it held that remedies available under the Consumer Protection Act are in addition to those provided under RERA. The Court clarified that the existence of a remedy before the Real Estate Regulatory Authority does not bar homebuyers from approaching consumer forums for relief. This interpretation reinforced the principle that regulatory frameworks should operate in a complementary rather than exclusionary manner to enhance consumer protection.

Another area where overlapping jurisdictions have emerged concerns insolvency proceedings involving real estate companies. When developers face severe financial distress and are unable to complete projects, proceedings may be initiated under the Insolvency and Bankruptcy Code, 2016. In *Pioneer Urban Land and Infrastructure Ltd. v. Union of India* (2019) 8 SCC 416, the Supreme Court upheld the constitutional validity of amendments recognizing homebuyers as financial creditors under the insolvency framework. This decision allowed homebuyers to initiate insolvency proceedings against defaulting developers and participate in the corporate insolvency resolution process. While insolvency proceedings primarily fall within the jurisdiction of the National Company Law Tribunal under company law and insolvency legislation, their outcome directly affects the rights of homebuyers protected under RERA. As a result, coordination between these legal regimes becomes essential to ensure that the interests of purchasers are not undermined during corporate restructuring or liquidation processes.

The question of accountability of corporate developers and their directors also illustrates the interaction between RERA and company law. While RERA primarily imposes obligations on the promoter of a real estate project, the practical execution of these obligations depends on the conduct of directors and managerial personnel responsible for corporate decision-making. When delays in project completion arise due to diversion of funds, fraudulent activities, or mismanagement within the company, corporate law provisions may be invoked to determine the liability of those in control of the company. Courts have demonstrated a willingness to examine the conduct of promoters and directors in such circumstances. In *Bikram Chatterji v. Union of India* (2019) 19 SCC 161, involving the Amrapali Group, the Supreme Court found that funds collected from homebuyers had been misappropriated and diverted to other purposes by the company's management. The Court held the promoters personally accountable for the mismanagement and ordered the attachment of their assets while directing that stalled projects be completed under alternative supervision. This case illustrates how the judiciary may go beyond the corporate entity to hold individuals responsible where corporate structures are used to evade obligations toward homebuyers.

In addition to judicial intervention, the regulatory framework itself increasingly emphasizes accountability of promoters and directors. Under RERA, promoters are required to provide detailed disclosures regarding project approvals, financial arrangements, and timelines for completion. Failure to comply with these obligations may result in penalties, suspension of project registration, or restrictions on future development activities. At the same time, the Companies Act imposes strict requirements for financial reporting, auditing, and fiduciary duties of directors. When these obligations are breached, regulatory authorities and courts may impose civil or criminal liability on responsible individuals. The combined effect of these provisions is to create a system in which corporate developers are expected to maintain both regulatory compliance and sound governance practices.

The intersection of RERA and company law therefore reflects the evolving approach of Indian law toward regulating the real estate sector. By integrating sector-specific consumer protection mechanisms with broader corporate governance principles, the legal framework seeks to ensure that developers operate with transparency, financial discipline, and accountability. While overlapping jurisdictions may occasionally create procedural challenges, judicial interpretation has generally favored a complementary approach that allows multiple regulatory mechanisms to function together in protecting the interests of homebuyers. Strengthening coordination between these frameworks remains essential for addressing the persistent problem of delayed real estate projects and ensuring that corporate developers fulfill their commitments in a responsible and legally accountable manner.

## **Challenges in Enforcing Corporate Liability**

The enforcement of corporate liability in the real estate sector continues to face several structural and institutional challenges despite the introduction of regulatory mechanisms such as the Real Estate (Regulation and Development) Act, 2016 (RERA) and the application of broader corporate governance standards under the Companies Act, 2013. While these legal frameworks aim to strengthen transparency and accountability in the conduct of real estate developers, their practical implementation often encounters significant obstacles. These challenges affect the ability of regulatory authorities and courts to ensure timely compliance by developers and to provide effective remedies for homebuyers affected by delayed or stalled projects. As a result, the objective of holding corporate entities responsible for their obligations toward purchasers is not always fully realized in practice.

One of the major challenges in enforcing corporate liability lies in the implementation gaps within the RERA framework itself. Although the Act was enacted to introduce uniform standards of regulation across the country, its practical implementation varies significantly between states. Since real estate regulation falls within the concurrent domain of the Union and the states, each state is responsible for establishing its own regulatory authority and formulating rules for the operation of RERA. This has led to inconsistencies in the functioning of regulatory bodies, delays in establishing appellate tribunals, and variations in procedural practices across different jurisdictions. In some states, regulatory authorities have faced limitations in terms of administrative capacity, staffing, and technical expertise required to effectively monitor project compliance and enforce statutory obligations. These institutional limitations may hinder the ability of authorities to detect violations such as fund diversion or misrepresentation at an early stage. Judicial observations have also highlighted the need for stronger implementation mechanisms. In *M/s Newtech Promoters and Developers Pvt. Ltd. v. State of Uttar Pradesh* (2021) SCC OnLine SC 1044, the Supreme Court emphasized that the effectiveness of RERA depends significantly on the proper functioning of regulatory authorities and adjudicating officers established under the Act. The Court observed that the regulatory framework must be implemented in a manner that ensures timely dispute resolution and protects the interests of homebuyers.

Another significant challenge arises from delays in dispute resolution despite the existence of specialized regulatory forums. RERA was designed to provide a faster and more efficient alternative to traditional civil litigation by establishing dedicated authorities and appellate tribunals for addressing disputes between developers and homebuyers. However, in practice, delays may still occur due to procedural complexities, high volumes of complaints, and limited institutional capacity. In certain situations, disputes involving delayed projects extend beyond the jurisdiction of RERA authorities and enter other legal forums such as consumer courts, civil courts, or insolvency tribunals. This multiplicity of legal proceedings can prolong the resolution process and create uncertainty for affected purchasers. The Supreme Court addressed the relationship between different dispute resolution mechanisms in *Imperia Structures Ltd. v. Anil Patni* (2020) 10 SCC

783, where it held that remedies under the Consumer Protection Act are in addition to those available under RERA. While this interpretation strengthens consumer rights by allowing access to multiple legal remedies, it may also contribute to procedural overlap and extended litigation in complex cases involving large real estate projects.

Weak enforcement of corporate governance norms also presents a major barrier to effective accountability of real estate developers. Although the Companies Act, 2013 establishes detailed provisions concerning the duties of directors, financial disclosures, and corporate oversight, these standards are not always strictly enforced in practice. Many real estate development companies operate through complex corporate structures involving multiple subsidiaries and special purpose vehicles, which may obscure the flow of funds and decision-making processes. In the absence of strong internal governance and external monitoring, such structures may facilitate financial mismanagement or diversion of resources. The consequences of weak corporate governance were prominently highlighted in *Bikram Chatterji v. Union of India* (2019) 19 SCC 161, involving the Amrapali Group. During the proceedings, the Supreme Court found that substantial amounts of money collected from homebuyers had been diverted to other entities and unrelated ventures, resulting in severe delays in project completion. The Court criticized the failure of corporate oversight mechanisms and held the promoters personally accountable for mismanagement. This case demonstrated that ineffective corporate governance within developer companies can undermine regulatory safeguards and significantly harm the interests of homebuyers.

Another persistent challenge in enforcing corporate liability is the limited deterrence faced by developers who violate regulatory obligations. Although RERA provides for penalties, interest payments, and potential cancellation of project registration, the practical impact of these sanctions may sometimes be insufficient to prevent non-compliance. Large corporate developers with significant financial resources may treat regulatory penalties as manageable costs rather than serious consequences that fundamentally alter their business practices. Furthermore, where projects are delayed due to severe financial distress or insolvency, the imposition of penalties may not necessarily result in timely completion of the project or adequate compensation for homebuyers. The complexities associated with corporate insolvency have been addressed in judicial decisions interpreting the Insolvency and Bankruptcy Code, 2016. In *Pioneer Urban Land and Infrastructure Ltd. v. Union of India* (2019) 8 SCC 416, the Supreme Court upheld the recognition of homebuyers as financial creditors within the insolvency framework, enabling them to initiate insolvency proceedings against defaulting developers and participate in the corporate resolution process. While this development strengthened the legal position of homebuyers, insolvency proceedings themselves can be lengthy and may not always guarantee immediate relief or completion of stalled projects.

These challenges illustrate that the enforcement of corporate liability in the real estate sector depends not only on the existence of comprehensive legislation but also on effective institutional capacity, coordinated legal mechanisms, and strong corporate governance practices.

Implementation gaps within regulatory authorities, delays in dispute resolution, weaknesses in corporate oversight, and limited deterrent impact of penalties collectively affect the ability of the legal system to ensure full accountability of developers. Addressing these challenges requires strengthening regulatory institutions, improving coordination between different legal forums, and ensuring stricter compliance with corporate governance norms. Only through such measures can the legal framework governing real estate development effectively protect homebuyers and promote responsible conduct among corporate developers.

## **Conclusion**

The issue of delayed real estate projects has emerged as one of the most pressing challenges within the Indian housing sector, affecting thousands of homebuyers and raising serious concerns regarding corporate accountability in real estate development. The analysis undertaken in this study highlights that project delays are not merely isolated operational failures but are often rooted in structural issues related to financial mismanagement, weak corporate governance, regulatory inefficiencies, and economic uncertainties. Real estate development in India is predominantly undertaken by corporate entities operating within complex organizational structures, which means that the responsibility for project execution and compliance with legal obligations rests largely with these companies and their management. When developers fail to complete projects within promised timelines, the consequences extend beyond financial loss and often result in significant social and psychological distress for homebuyers who invest their life savings in the hope of securing stable housing. The growing frequency of such disputes has prompted legislative reforms and judicial intervention aimed at strengthening consumer protection and ensuring greater accountability among corporate developers.

A key finding emerging from the analysis is that the introduction of the Real Estate (Regulation and Development) Act, 2016 represents a significant milestone in addressing long-standing regulatory gaps within the real estate sector. The legislation has introduced mandatory project registration, financial disclosure requirements, escrow mechanisms for safeguarding buyer funds, and specialized regulatory authorities to oversee compliance. These provisions have contributed to greater transparency and have created a structured mechanism through which homebuyers can seek remedies for delays and contractual violations. Judicial decisions have further reinforced the protective objectives of the legislation. In *M/s Newtech Promoters and Developers Pvt. Ltd. v. State of Uttar Pradesh* (2021) SCC OnLine SC 1044, the Supreme Court upheld the regulatory powers granted under RERA and emphasized that the statute was enacted to promote transparency, accountability, and efficiency in real estate transactions. Similarly, decisions such as *Kolkata West International City Pvt. Ltd. v. Devasis Rudra* (2019) 17 SCC 613 and *Pioneer Urban Land and*

Infrastructure Ltd. v. Govindan Raghavan (2019) 5 SCC 725 have recognized the rights of homebuyers to seek compensation or refunds where developers fail to deliver possession within the agreed timeline. These judgments illustrate the judiciary's proactive role in interpreting contractual and statutory obligations in a manner that protects consumer interests.

Another important finding relates to the intersection between sector-specific regulation and broader corporate governance frameworks. While RERA addresses the operational aspects of real estate development and establishes obligations directly applicable to promoters and developers, the Companies Act, 2013 regulates the internal functioning of corporate entities responsible for executing these projects. The duties imposed on directors under company law, including the obligation to act in good faith and exercise due diligence, are crucial in ensuring that corporate developers maintain financial discipline and comply with statutory requirements. Cases involving large-scale financial mismanagement, such as Bikram Chatterji v. Union of India (2019) 19 SCC 161, have demonstrated the severe consequences that arise when corporate governance mechanisms fail and funds collected from homebuyers are diverted for unrelated purposes. The Supreme Court's intervention in the Amrapali case, including the attachment of promoters' assets and the appointment of an alternative agency to complete stalled projects, illustrates how judicial scrutiny can extend beyond the corporate entity to hold responsible individuals accountable where necessary.

Despite these legal developments, the current regulatory framework continues to face several challenges in ensuring effective enforcement of corporate liability. Implementation gaps within RERA, delays in dispute resolution, and limited institutional capacity of regulatory authorities often affect the speed and efficiency with which complaints are addressed. In addition, the existence of overlapping legal forums—including consumer courts, RERA authorities, and insolvency tribunals—can sometimes create procedural complexity in resolving disputes involving delayed projects. Although judicial decisions such as Imperia Structures Ltd. v. Anil Patni (2020) 10 SCC 783 have clarified that remedies under consumer protection law and RERA operate concurrently, greater coordination between these forums remains necessary to avoid prolonged litigation and inconsistent outcomes. Furthermore, penalties imposed under existing laws may not always serve as sufficient deterrents for large corporate developers with substantial financial resources, particularly when projects face severe financial distress or insolvency.

Looking ahead, strengthening corporate accountability in real estate development will require a comprehensive approach that integrates legal reform with improved institutional capacity and stronger governance practices within developer companies. Regulatory authorities must be equipped with adequate resources and technical expertise to monitor project compliance and enforce statutory obligations effectively. At the corporate level, stricter adherence to governance standards, enhanced financial transparency, and responsible management of buyer funds are essential for preventing the kinds of mismanagement that have historically contributed to project delays. Greater coordination between regulatory bodies, consumer forums, and insolvency

tribunals would also help streamline dispute resolution and provide more effective remedies for affected homebuyers.

Ultimately, the future of corporate accountability in the real estate sector will depend on the ability of legal institutions to ensure that developers honor the commitments they make to purchasers. The combined framework of RERA, company law, consumer protection law, and insolvency legislation provides a strong foundation for regulating the conduct of real estate developers. However, the effectiveness of these laws depends on consistent enforcement, judicial vigilance, and responsible corporate practices. Strengthening these elements will not only protect homebuyers but also contribute to restoring confidence in the real estate market and promoting sustainable development within the housing sector.

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